

Dear Market Advisory Committee,

I believe a cap-and-auction and other permit systems should be implemented by 2010 and must be based on the following principles:

- In view of the AB 32 maximum feasibility requirement, attainment of the emission cap in 2020 is a minimal requirement, not a sufficient requirement for compliance with the statute.
- Polluters must pay to use the atmosphere; there should be 100% auction of permits, NO GIVEAWAYS. If people want to do business in California, they should contribute their fair share to keep this place the beautiful place it is - all of them.
- NO INEQUITABLE TRADING SYSTEMS / QUOTAS. Any California permit trading system has to evenly and fairly allocate quotas to businesses - not give more quotas to the businesses with bigger lobby clout.
- THE SYSTEM MUST TAX CARBON AND SUPPORT EFFICIENCY. This will help promote smarter transit and housing.
- Any carbon cap should cover* all* carbon emissions related to California, including our purchases.
- Companies should not be allowed to buy cheap offsets overseas. Money paid for offsets should directly benefit Americans.

Thank you for your consideration.

Sincerely,

Kent Lewandowski

Chair, Sierra Club Northern Alameda County (Oakland, Berkeley, Alameda, Emeryville)